

Message Text

LIMITED OFFICIAL USE

PAGE 01 LONDON 09842 01 OF 02 151605Z
ACTION EB-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-07 EUR-12 NEA-10
IO-13 AGR-01 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AID-05 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00
CEA-01 /113 W

-----151626Z 079022 /50

R 151557Z JUN 77

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5052
INFO AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CANBERRA
USMISSION GENEVA
AMEMBASSY MANILA
AMEMBASSY OTTAWA
AMEMBASSY PRETORIA
AMEMBASSY SANTO DOMINGO
AMEMBASSY TOKYO
AMCONSUL CAPE TOWN
AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY MOSCOW
AMEMBASSY CAIRO
AMEMBASSY NEW DELHI
AMEMBASSY PORT LOUIS
AMEMBASSY GUATEMALA
AMEMBASSY GEORGETOWN
AMEMBASSY BANGKOK
AMEMBASSY COPENHAGEN
AMEMBASSY STOCKHOLM
AMEMBASSY OSLO
AMEMBASSY SUVA
AMEMBASSY MBABANE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 09842 01 OF 02 151605Z

LIMITED OFFICIAL USE SECTION 01 OF 02 LONDON 09842

USOECD
USEEC

E.O. 11652: N/A
TAGS: EPAP, ETRD, ISO, EAGR

SUBJECT: SUGAR -- U.N. SUGAR CONFERENCE CONSULTATIONS

REF: LONDON 9426

1. SUMMARY. MEETING OF LONDON REPS OF INTERNATIONAL SUGAR AGREEMENT NEGOTIATING PARTIES WAS HELD AS SCHEDULED JUNE 14, TO PREPARE FOR JULY CONSULTATIONS ON SUGAR NEGOTIATIONS. ALL COUNTRIES EXCEPT SWAZILAND LISTED IN PARA 1 OF REFTTEL WERE REPRESENTED. CONFERENCE CHAIRMAN JONES-PARRY SUMMED UP DISCUSSIONS AS FOLLOWS:

(A) PURPOSE OF JULY CONSULTATION WAS TO HELP CHAIRMAN TO DECIDE ON RESUMPTION OF CONFERENCE IN SEPTEMBER;

(B) LESSON GAINED DURING LAST GENEVA MEETING WAS THAT STOCKS AND THEIR FINANCING SHOULD PLAY A MORE CENTRAL ROLE, HOWEVER,

(C) EMPHASIS ON STOCKS DID NOT DETRACT FROM OTHER PROBLEM AREAS, E.G., MARKET SHARES.

CONCERNING AGENDA FOR JULY MEETING, CANADA AND JAPAN CALLED FOR "WHOLE PACKAGE" APPROACH, WHILE MOST IMPORTERS SUPPORTED JONES-PARRY'S PROPOSAL THAT EMPHASIS SHOULD BE PLACED ON EXPLORING STOCKS QUESTION. US REP WAS ENCOURAGED BY APPARENT WILLINGNESS OF MOST EXPORTERS TO ENGAGE IN TECHNICAL EXAMINATION OF STOCKS ISSUE. IF NEGOTIATION RESUMED, UNCTAD IS PREPARED MAKE FACILITIES AVAILABLE FOR THREE WEEKS, IN GENEVA, FROM SEPTEMBER 12. JONES-PARRY HAS DECIDED TO DEFER DECISION ON VISITS TO MAJOR CAPITALS UNTIL AFTER JULY MEETING. END SUMMARY.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 09842 01 OF 02 151605Z

2. JONES-PARRY OPENED MEETING BY NOTING THAT HE RECOGNIZED OTHER PROBLEM AREAS STILL EXISTED, BUT FELT JULY MEETING SHOULD CONCENTRATE ON PROBLEM OF STOCKS AND STOCK FINANCING. IN THIS REGARD, HE HAD ASKED PARTICIPANTS IN THE GENEVA NEGOTIATION TO PUT FORWARD SUGGESTIONS, AND HAD APPROACHED UNCTAD, FAO, THE IMF AND THE WORLD BANK FOR IDEAS AS WELL. HE SAID A NUMBER OF COUNTRIES HAD INDICATED THAT THE STOCKS PROBLEM OFFERED A BASIS FOR PROGRESS, URGING THOSE WHO WILL SUBMIT PROPOSALS TO DO SO PROMPTLY.

3. IN ENSUING DISCUSSION, MOST PARTICIPANTS INDICATED INTENTION TO ATTEND JULY MEETING, BUT SOME -- INCLUDING CUBA AND THE EEC -- SAID THEY WERE NOT YET IN A POSITION TO REPLY (NEITHER PARTICIPATED ACTIVELY IN DISCUSSIONS). IN A NUMBER OF INTERVENTIONS, CANADA (MUSGROVE) SUPPORTED BY JAPAN (KUBOTA), INDICATED DOUBTS ABOUT EXCESSIVE FOCUS ON STOCKS PROBLEM,

POINTING OUT THIS APPROACH ASSUMED ALL OTHER PROBLEMS HAD BEEN SOLVED; HE SAID QUESTION OF STOCKS AND THEIR FINANCING PROVIDED A "GOOD EXCUSE TO HIDE FROM OTHER ISSUES". MUSGROVE COMPLAINED THAT THE CHAIRMAN'S PAPER HAD PICKED UP IMPORTER "CONCESSIONS" WITHOUT REFLECTING MATCHING EXPORTER CONCESSIONS. IN SUPPORTING MUSGROVE, KUBOTA SAID JAPAN WOULD HAVE DIFFICULTY IN ACCEPTING FOCUS-ON-STOCKS APPROACH PROPOSED BY CHAIRMAN AND THAT AGENDA FOR JULY MEETING SHOULD BE BROADENED TO COVER THE WHOLE GAMUT OF ISSUES. THIS WAS SEEN BY SEVERAL EXPORTERS (FIJI AND GUYANA, PARTICULARLY) AS UNREALISTIC.

4. US REP SUPPORTED CONCEPT THAT STOCKS WAS ONE OF A SET OF PROBLEMS THAT HAD TO BE SOLVED BEFORE CONSENSUS COULD BE REACHED, AND THAT AGREEMENT MUST BE LOOKED AT FROM A STANDPOINT OF THE ENTIRE PACKAGE. AT SAME TIME LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 LONDON 09842 01 OF 02 151605Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 LONDON 09842 02 OF 02 151606Z
ACTION EB-07

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-07 EUR-12 NEA-10
IO-13 AGR-01 L-03 FRB-03 OMB-01 ITC-01 SP-02
USIA-06 AID-05 CIAE-00 COME-00 INR-07 LAB-04
NSAE-00 OIC-02 EPG-02 SIL-01 STR-04 TRSE-00
CEA-01 /113 W

-----151626Z 079033 /50

R 151557Z JUN 77

FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5053
INFO AMEMBASSY BRASILIA
AMEMBASSY BUENOS AIRES
AMEMBASSY CANBERRA
USMISSION GENEVA
AMEMBASSY MANILA
AMEMBASSY OTTAWA

AMEMBASSY PRETORIA
AMEMBASSY SANTO DOMINGO
AMEMBASSY TOKYO
AMCONSUL CAPE TOWN
AMEMBASSY PARIS
AMEMBASSY BRUSSELS
AMEMBASSY MOSCOW
AMEMBASSY CAIRO
AMEMBASSY NEW DELHI
AMEMBASSY PORT LOUIS
AMEMBASSY GUATEMALA
AMEMBASSY GEORGETOWN
AMEMBASSY BANGKOK
AMEMBASSY COPENHAGEN
AMEMBASSY STOCKHOLM
AMEMBASSY OSLO
AMEMBASSY SUVA
AMEMBASSY MBABANE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 LONDON 09842 02 OF 02 151606Z

LIMITED OFFICIAL USE SECTION 02 OF 02 LONDON 09842

HE POINTED OUT U.S. HAD PUT CONSIDERABLE EMPHASIS ON STOCKS AT GENEVA AND STOCKS CONTINUED TO BE A MATTER OF CONSIDERABLE IMPORTANCE.

5. EXPORTERS GENERALLY TENDED TO SUPPORT JONES-PARRY APPROACH TO PROBLEM AND AUSTRALIA (PALTRIDGE) SAID CANBERRA FELT STOCKS QUESTION COULD BE PROFITABLY EXAMINED. HE SUGGESTED FOLLOWING AREAS WHERE SECRETARIAT MIGHT SEEK TECHNICAL INFORMATION: (1) CAPACITY TO HOLD STOCKS, (2) BREAKDOWN BETWEEN BAG AND BULK STORAGE, (3) DEGREE OF CAPACITY UTILIZATION, AS BETWEEN RAW AND REFINED, (4) COST OF NEW FACILITIES, (5) RENTAL COSTS, AND (6) CARRYING COSTS. AUSTRALIA WAS STRONGLY SUPPORTED BY FIJI (DOWLING). ARGENTINA (SEWARD), SOUTH AFRICA (BARNES), BRAZIL (MONTEALEGRE), MAURITIUS (GULLET), GUATEMALA (MONTES), DOMINICAN REPUBLIC, GUYANA (CAMPBELL) ALL LINED UP BEHIND JONES-PARRY PROPOSAL. CUBAN (TABIO)

TOOK ISSUE WITH JONES-PARRY APPROACH.

6. US REP IN FINAL INTERVENTION OBSERVED THAT HE WAS ENCOURAGED BY EXPRESSIONS OF NEED FOR MORE TECHNICAL INFORMATION ON STOCKS WHICH SEEMED TO BE AN INDICATION OF CONSIDERABLE PROGRESS SINCE GENEVA. HE ALLUDED TO

FINAL STATEMENT BY US DEL AT GENEVA, NOTING THAT
THOUGHT SHOULD BE GIVEN TO PHILOSOPHY OF STOCKHOLDING
AS WELL AS TO PURELY TECHNICAL QUESTIONS. REGARDING
THE CHAIRMAN'S PAPER, US REP SAID PAPER SHOULD BE
VIEWED AS GUIDE FOR DISCUSSION ONLY, A POINT PICKED UP
BY JONES-PARRY IN HIS SUMMARY.

7. COMMENT. POINT MADE BY MUSGROVE THAT WHOLE PACKAGE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 LONDON 09842 02 OF 02 151606Z

MUST HANG TOGETHER WAS VALID AND US REP WENT ON RECORD
IN SUPPORT OF "ENTIRE PACKAGE" CONCEPT. NEVERTHELESS,
FACT IS THAT EXPORTER REPS SEEMED TO BE SAYING THEY
WERE SINCERELY INTERESTED IN TECHNICAL EXAMINATION OF
STOCK QUESTION. BY AND LARGE THEY DID NOT CONTEND
IMPORTER POINTS BUT KEPT SUPPORT OF JONES-PARRY
PROPOSED APPROACH LOW-KEY. SUBSEQUENT TO MEETING,
MUSGROVE AND KUBOTA MADE IT CLEAR TO THE US REP THAT
THEY CONTINUE TO BE TROUBLED BY STOCK FINANCING AND
THAT THEY HAVE DOUBTS WHETHER ANY STOCKS MECHANISM CAN
BE DEvised WHICH WILL PROVIDE MORE THAN TOKEN CONSUMER
PROTECTION. BREWSTER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, INTERNATIONAL ORGANIZATIONS, PLANNING MEETINGS, MEETING PROCEEDINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 15-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LONDON09842
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770213-1135
Format: TEL
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770655/aaaabvwo.tel
Line Count: 250
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 2621777c-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 LONDON 9426
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Nov-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2145051
Secure: OPEN
Status: NATIVE
Subject: SUGAR -- U.N. SUGAR CONFERENCE CONSULTATIONS
TAGS: EPAP, ETRD, EAGR, ISO, UN
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/2621777c-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009